cy so messy as in the field of trade. In much the same way that the Soviets revere the labor theory of value, the Administration would like to believe that David Ricardo and comparative advantage are alive and well. Yet most advanced nations defy our notion of free trade and do quite well for themselves. They subsidize, target, and protect infant industries, and negotiate market shares. Where we see protection, they see industrial policy. When this results in a superior product at a lower price, the free-market dogma dictates that we Americans should go ahead and buy the product—never mind that the product was produced by something other than the free market, and that our own industries are obliterated in the process.

TO OBSERVE the Administration as it tries to reconcile dogma with reality is like watching a drunk dodge imaginary taxis and stumble into real ones. The Reagan people are determined that nothing must interfere with the workings of the market. Ordinarily, therefore, when steelmakers, semiconductor manufacturers, machine tool designers, optical fiber producers, and the rest come screaming that their industries are being ruined by Japanese targeting practices, the Reagan White House commends to them the bracing discipline of the free market. Every so often, however, a case comes up in which the damage to a politically important industry is too palpable. Then it's dogma be damned.

In the steel case, the White House moved to slap on tariffs and quotas based on a finding that imports were damaging American producers. Under the present trade regime, it isn't even necessary to prove that foreign suppliers are dumping or subsidizing their products; the test is whether American producers have been damaged. By that test, one could arguably justify quotas or tariffs for almost anything. The problem is that the Reagan Administration has no consistent criteria that indicate when it should protect, and to what end. As a result, Mr. Reagan's occasional recourse to outright protectionism has a capricious, ad hoc quality that baffles and annoys our trading partners but does little for the long-term health of the protected American industry.

In this ideological twilight zone, all sorts of bizarre anomalies may be encountered. Houdaille Industries, Inc., an American maker of state-of-the-art computer-controlled machine tools, presented a good case that the Japanese were heavily subsidizing the development of their own machine tool industry and flooding American markets. Nevertheless, the Administration decided that a trade skirmish in machine tools was too risky, that the American industry was due for a shake out, and that the market should work its will. But in the case of heavy motorcycles, surely a far less strategic industry, the Administration took the opposite view. It gave the Harley-Davidson company a massive dose of protection, on the rather sentimental ground that this maker of some thirty thousand bikes a year was the last surviving American motorcycle manufacturer. Japanese heavy motorcycles must now bear heavy tariffs. The issue of whether the

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